UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

HEARTS ON FIRE COMPANY, LLC,

Plaintiff,

v.

CIVIL ACTION NO. 04 12258-JLT

EIGHTSTAR DIAMOND COMPANY and GRS JEWELERS, INC.,

Defendants.

JOINT STATEMENT AND DISCOVERY PLAN

Pursuant to the Court's Order of January 25, 2006, Fed. R. Civ. P. 26(f) and Local Rule 16.1, the parties submit the following Joint Statement containing their proposed pretrial schedule, as follows:

I. Rule 26(f) Conference of the Parties

Pursuant to Fed. R. Civ. P. 26(f) and Local Rule 16.1(B), counsel for the parties have conferred to discuss: (1) the nature and basis for their claims and defenses; (2) the possibility for a prompt settlement or resolution of the case; (3) to develop a proposed pretrial plan for the case that includes a discovery plan; (4) to prepare an agenda of items to be discussed at the scheduling conference; and (5) to consider whether they will consent to trial by magistrate judge.

The parties are not willing to consent to trial by magistrate at this time.

II. Joint Discovery Plan

The parties have agreed to the following discovery schedule:

Automatic Disclosures Completed

Deadline to Complete Fact Discovery October 31, 2006

Plaintiffs Designation of Expert and November 30, 2006

Service of Expert Reports (if any)

Defendants' Designation of Expert and December 31, 2006

Service of Expert Report (if any)

Deadline to Complete Expert Depositions (if any)

January 31, 2007

III. Proposed Schedule for Filing Motions

Deadline for Motions for Summary Judgment (if any)

March 31, 2007

Deadline for Opposition to Motion for Summary Judgment April 20, 2007

The parties do not believe that a phased discovery schedule is necessary or appropriate.

IV. Certificates of Counsel

Counsel for both Plaintiff and Defendant certify that they have conferred with their clients with a view to establishing a budget for the costs of conducting the full course - and various alternative courses - of the litigation and to consider the resolution of the litigation through the use of alternative dispute resolution programs such as those outlined in Local Rule 16.4. Certifications by Plaintiff and Defendant, or their authorized representatives, will be submitted separately.

HEARTS ON FIRE COMPANY, LLC

By its attorneys,

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Dated: March 9, 2006